

APPRAISAL MANAGEMENT

INTRODUCTION

Appraisal Management ranges from setting up approved appraisers to disputing appraisals in AREIS. The objectives, process narrative, and task steps detail this process.

OBJECTIVES

The following learning objectives are covered in this module:

- Setup Approved Appraisers
- Create Bid Package
- Submit Appraisal / BV Bids
- Approve / Assign Appraisals / BV to Appraisal Firms
- Update Appraisal / BV Schedule
- Submit Status on Appraisal / BV
- Submit Appraisal / BV Draft
- Accept Appraisal Draft (Manage Communication for Appraisal / BV Submissions)
- Assign Appraisal Review
- Submit Final Appraisal / BV
- Record Final Appraisal
- Reject Final Appraisal
- Dispute Appraisal
- Approve Final Appraisal



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PROCESS NARRATIVE FOR APPRAISAL MANAGEMENT

Setup Approved Appraisers

Outside of AREIS, the PMU Supervisor works with the Procurement Office to determine the criteria for a prospective Appraisal Firm. Once the criteria are established, the Procurement Office sends the RFP to potential Appraisal Firms. Appraisal Firms provide documentation to the Procurement Office who forwards it to PMU Appraisal for review based on a predetermined scorecard. PMU Appraisal notifies the Procurement Office of new Spring Fed Pool participants and a PMU Analyst begins setting up new Appraisal Firms in AREIS. Upon completion, the PMU Analyst sends a welcome packet to the selected firms.

After the firm receives the welcome packet, the Appraisal Administrator completes the setup process by reviewing and updating contact information for his/her organization. To add additional appraisers, the Appraisal Administrator must upload a list into AREIS, so a PMU Analyst can add the contacts to the firm.

Create Bid Package

When a Fund Sector is to be appraised, a PMU Analyst creates a bid package in AREIS for the appropriate quarter. Approved Appraisal Firms are automatically alerted that a new bid package is available for their review. The Appraiser Admin reviews the documentation provided by CalPERS and Investment Partners, and decides whether or not they will participate in the bid.

Submit Appraisal / BV Bids

An Appraiser Admin reviews data then submits a bid and supporting documents into AREIS during the appropriate appraisal cycle. CalPERS closes the bid process in AREIS and reviews the documents submitted by the participating appraisal firms.

Approve / Assign Appraisals / BV to Appraisal Firms

After closing the bid process, the PMU Supervisor and Analyst review the bid analyzer to determine which Appraisal Firm should be awarded the assignment. The PMU Supervisor notifies the selected appraisal firm and prompts them to review the LOE.



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An Appraiser Administrator from the selected firm reviews the LOE, prints and signs it, then uploads it back into AREIS. CalPERS reviews the signed LOE, approves the Appraisal Partner's signature, prints a hard copy of the document, signs it then uploads the document back into AREIS. When CalPERS has finished uploading the LOE, the Appraisal Partner will be provided access to necessary documentation for the appraisal valuation (Argus, Financial Statements, Budgets, Operating Assignments and Leasing).

Submit Status on Appraisal / BV

The Appraiser Analyst and Investment Partner submit separate bi-monthly status reports on the property status. The Appraiser, Investment Partner, or CalPERS may have a question or response to the status report. The PMU Analyst reviews this report.

Submit Appraisal / BV Draft

The Appraiser submits the draft appraisal.

Accept Appraisal Draft (Manage Communication for Appraisal / BV Submissions)

The Partner Analyst reviews the draft appraisal, comments on the appraisal, and may submit questions or supporting documentation. If this is the case, the Appraisal Firm receives an alert indicating that the Partner Analyst has questions that require review. The Appraiser Supervisor reviews these questions, provides additional documentation and submits responses to the Partner in AREIS. The Partner Analyst reviews the responses. The PMU Analyst tracks the status of interactions between the Appraisal Firm and Investment Partner.

The PMU Appraisal Supervisor closes the partner Q&A period. The PMU Analyst reviews the draft, comments on the appraisal and may submit questions or supporting documentation. If this is the case, the Appraisal Firm receives an alert indicating that the PMU has questions that require review. The Appraiser Supervisor reviews these questions, provides additional documentation and submits responses to the PMU in AREIS. The PMU Analyst reviews the responses, and the PMU Appraisal Supervisor closes the internal Q&A period.



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A notification is sent to the appropriate appraisal firm stating that the entity is ready for final appraisal.

Assign Appraisal Reviewer

There are times when CalPERS chooses to get a second opinion on an appraisal. This review can be either internal or external and can be a different valuation type than the original review.

Submit Final Appraisal / BV and Record It

The Appraiser Supervisor uploads the appraisal and other requirements into the portal. The Investment Partner Analyst downloads the final appraisal and other required documents, validates them, and then uploads documentation into AREIS.

Reject Final Appraisal and Dispute

The PMU Supervisor formalizes the dispute on the final appraisal completed and engages an alternate appraisal firm to appraise the property.

Approve Final Appraisal

The PMU Appraisal Supervisor enters the final appraisal decision and updates the status to "Appraisal is complete."

TASK STEPS FOR APPRAISAL MANAGEMENT

Setup Approved Appraisers

Appraiser Admin

Receive Welcome Packet

1. Ensure you are logged in as an Appraiser Admin by checking your **USERID** in the bottom right-hand corner of the **AREIS status bar**.



Appraisal Firm will have received an external email from CalPERS with User Name and Password.

2. Click on the **Appraisals** icon to access the **Appraisals** screen (also called the **Appraisal Dashboard**).
Result: If it is your first time logging in, the **Welcome Packet Signature Required** dialog box should appear with the **Welcome Message**.
3. Select the checkbox next to the agreement statement and click **Submit**.
Result: The dialog window should close and the **Appraisal** screen should be visible.

Review and Update Contact Information

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4. Select the **View <Appraisal Firm Name> Profile Details** hyperlink.
Result: The **Appraisal Firm Details** screen appears.
5. Review the information on the **Contacts** tab and make adjustments as appropriate and click the **Save** button.
Result: The changes to the contact information are saved.
6. Close the **Appraisal Firm Details** screen.
Result: The **Appraisal Firm Details** screen closes and the **Appraisal Dashboard** is displayed.

Submit Appraisal / BV Bids

Appraiser Supervisor

Review Property Data

1. Ensure you are logged in as an Appraiser Supervisor by checking your **USERID** in the bottom right-hand corner of the **AREIS status bar**.
2. Click on **Appraisal** in the top menu item at the top of the **Home** screen.
Result: The **Appraisal Dashboard** screen appears.
3. In the **Open Bid Requests** section, click the hyperlink under the **Appraisal Type** field for the **Fund Sector** and **Quarter** that you are going to review.
Result: The **Bid Package Response** screen should appear.
4. In the **Partner Name** column underneath the **Partners** tab, click the hyperlink of the appropriate Partner name.
Result: The **Appraisal Bid Response** screen should appear.
5. Click the **Details** hyperlink to the right of the entity you are going to review.
Result: The **Asset Entity Detail** screen should appear.
6. On the **Asset Entity Detail** screen click **Cancel**.
Result: The **Bid Package Response** screen should appear.

Enter and Submit Bid and Supporting Documents

7. Enter in the bid amount for each asset by clicking in the **Amount** column and typing the amount or check the **Decline** box for each entity as appropriate.
8. When you are finished entering information, click the **Save** button.

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Result: The **Appraisal Bid Response** screen should close and the **Bid Package Response** screen should be displayed. The **Bid Total** and **Assigned, Declined, and/or Unassigned** columns should now display the updated information based on the information entered.



The same process is used for the Business Valuation and Portfolio bids.

9. Click the hyperlink for the same Partner as in the previous steps.

Result: The **Appraisal Bid Response** screen should appear.

10. Scroll down towards the bottom of the page to the **Bid Group** section and click the **Add** button.

Result: The **Bid Group** screen should appear.

11. Enter a **Bid Group Name** and select several assets by clicking the boxes in the far left hand column to create a group.

Result: The assets should be highlighted.



During training we are using only assets; however, the flexibility is there to combine investments (portfolios) as well.

12. Enter the appropriate discount rate. Click the **Save** button.

Result: The **Bid Group** screen closes and the **Appraisal Bid Response** screen is displayed with the bid total in the **Total** field.



The bid group name, discount rate and total amount for the bid group will be populated at the bottom of the screen. This amount reflects the discount rate applied to the original amounts you entered for individual assets.

13. Click the **Save** button.

Result: The **Appraisal Bid Response** screen should close and the **Bid Package Response** screen should be displayed. The **Bid Total** and **Assigned, Declined, and/or Unassigned** columns should reflect the information entered.

14. Select the **Documents** tab and click the **Attach** button.

Result: The **Upload Document** dialog box should appear.

15. In the **Upload Document** dialog box, click the **Browse** button to navigate to the document you would like to attach then click the **Open** button.

Result: The file path of the file should be populated in the **Select File** field.

16. Enter the **Document Description** and **Comment** and click the **Upload** button.

Result: The message 'File uploaded successfully to the web server' appears.

17. Click the **Close** button.

Result: The **Upload Document** dialog box closes and the uploaded file should appear in the document grid.

18. On the **Bid Package Response** screen, click the **Submit to CalPERS** button on the bottom right of the screen.

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Result: If all entities have received a bid or been declined, the **Submit Bid** confirmation dialog window should appear.



If there are remaining entities that need to be declined or bids associated with it, a warning screen will appear and you will not be able submit.

19. Verify that the **Quarter**, **Valuation Type** and **Fund Sector** fields are appropriate, then click **Submit**.

Result: The **Appraisal** dashboard appears. In the **Open Bid Requests** section, the appraisal should have a **Status** of **Submitted**.

Approve / Assign Appraisals / BV to Appraisal Firms

Appraiser Admin

Receive Alert to Review Letter of Engagement

1. Your appraisal firm should have received a Letter of Engagement from CalPERS. Once you have accepted the LOE, sign it and create an electronic copy of the document that you can upload into AREIS.
2. Ensure you are logged in as an Appraiser Admin by checking your **USERID** in the bottom right-hand corner of the **AREIS status bar**.
3. Click on **Appraisal** from the top menu then select **Dashboard**.
Result: The **Appraisal Dashboard** screen should appear
4. From the **Appraisal** dashboard under the **Appraisals** section select an **Entity ID** as for the entity that you are reviewing a letter of engagement for.
Result: The **Upload Letter of Engagement** window should appear.
5. Click the **Attach** button.
Result: The **Upload Document** window opens.
6. Click **Browse** to select the file on your computer symbolizing the signed and scanned Letter of Engagement. Complete the **Document Description** and **Comment** fields and click **Upload**.
Result: The message 'File uploaded successfully to the web server' should appear.
7. Click **Close** on the upload document dialog box.

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Result: The document should appear in the document grid in the **Upload Letter of Engagement** window.

8. Click **Save** in the **Upload Letter of Engagement** window.

Result: The document is saved.

9. Click the **Submit to CalPERS** button.

Result: The **Upload Letter of Engagement** screen should close and the **Appraisal Summary** dashboard should be displayed. The appraisal entity status should now be 'Pending Letter of Engagement - CalPERS'.

Appraiser Analyst

Log Into System For Required Documents

10. Ensure you are logged in as an Appraiser Analyst by checking your **USERID** in the bottom right-hand corner of the **AREIS status bar**.

11. Click on **Appraisal** in the top menu.

Result: The **Appraisal Dashboard** screen should appear.

12. Within the **Appraisals** section, select the **Entity ID** that you are retrieving required documents for.

Result: The **Appraisal Details** screen should appear.

13. Select the **Appraisal Details** tab and then select the **Documents** tab.

Result: All documents attached to the entity should appear in the grid.

14. Select the **View** hyperlink under the **View** column for the document you would like to view.

Result: The document should open for viewing/saving.

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Submit Status on Appraisal / BV

Appraiser Analyst

Appraiser Submit Bi-Monthly Status Report On Property Status

1. Ensure you are logged in as an Appraiser Analyst by checking your **USERID** in the bottom right-hand corner of the **AREIS status bar**.
2. Click on **Appraisal** on the top menu.
Result: The **Appraisal Dashboard** appears.
3. Under the **Appraisals** section of the dashboard select the appropriate **Entity ID** hyperlink.
Result: The **Appraisal Details** screen should appear.
4. Select the **Appraisal Details** tab.
5. Select the **Biweekly Reports** tab and click the **Add** button.
Result: The **Biweekly Reports** dialog box should open.
6. Complete the fields and click the **Save** button.
Result: The information that was entered in the **Biweekly Reports** dialog box should be populated in the **Biweekly Reports** tab grid under the **Appraisal Details** tab.

Appraiser Analyst

Appraiser has a question or response

7. Ensure you are logged in as an Appraiser Analyst by checking your **USERID** in the bottom right-hand corner of the **AREIS status bar**.
8. Click on **Appraisal** on the top menu.
Result: The **Appraisal Dashboard** appears.
9. Under the **Appraisals** section of the dashboard select the appropriate **Entity ID** hyperlink as appropriate.
Result: The **Appraisal Details** screen should appear.

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10. Select the **Appraisal Details** tab.
11. Select the **Question / Answer** tab and click the **Add** button.
Result: The **Ask Question** dialog box should open.
12. Use the Attention checkboxes at the top of the dialogue box to select which parties should view/respond the question.
13. In the **Question Box** type a question and click the **Submit** button.
Result: The screen closes and the submitted question is listed in the grid.

Submit Appraisal / BV Draft

Appraiser Supervisor

Submit Draft Appraisal

1. Ensure you are logged in as an Appraiser Supervisor by checking your **USERID** in the bottom right-hand corner of the **AREIS status bar**.
2. Select **Appraisal** on the top menu.
Result: The **Appraisal Dashboard** should be displayed.
3. Under the **Current Appraisals** section select the hyperlink in the **Entity ID** column for the entity you would like to submit the draft appraisal for.
Result: The **Appraisal Details** screen should appear.
4. Under the **Property Salient Information** tab, select the **Property Data** tab.
5. Enter data on the **Property Data** tab.
6. When you are finished entering information, click the **Property Overview** tab
Result: The **Property Overview** tab should appear.
7. Enter data on **Property Overview** Tab.
8. When you are finished entering information, click on the **Property Characteristics** tab.
Result: The **Property Characteristics** tab should appear.
9. Enter data on **Property Characteristics** tab.

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10. When you are finished entering information, click on the **Property Valuations** tab.
11. Enter data on **Property Valuations** tab.
12. When you are finished entering information, click the **Appraisal Details** tab.
13. Select **Documents** tab.
Result: The documents grid should appear.
14. From the <**Select Category**> drop-down menu, select **Draft Appraisal Deliverable** and click the **Attach** button.
(This will be done for the following documents: Appraisal and Argus Run)
Result: The **Upload Document** dialog box should appear.
15. Select a file, enter in the appropriate description and click **Upload**.
Result: A message should appear stating 'File uploaded successfully to the web server'.
16. Select the **Close** button on the **Upload Document** dialog box and then perform the document upload step for another file.
Result: A message should appear stating 'File uploaded successfully to the web server'.
17. Click the **Save** button under the **Documents** tab of the **Appraisal Details** screen.
Result: The documents should save in the Documents grid.
18. Click the **Submit Draft** button at the bottom of the screen.
Result: The **Appraisal Details** screen should close and the **Appraisal Dashboard** should display. Under the **Current Appraisals** section the Entity's **Status** should now be 'Comments due from Partners'.

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Accept Appraisal Draft (Manage Communication for Appraisal / BV Submissions)

Appraiser Supervisor

Review Questions And Additional Documentation

1. Ensure you are logged in as a PMU Appraisal Supervisor by checking your **USERID** in the bottom right-hand corner of the **AREIS status bar**.
2. From the main menu select the **Appraisal** menu.
Result: The **Appraisal Dashboard** screen should appear.
3. Under the **Appraisals** section, select the hyperlink in the **Entity ID** column for the entity you would like to review.
Result: The **Appraisal Details** screen should appear.
4. Select the **Appraisal Details** tab.
5. Select the **Question/Answers** tab.
Result: The **Question/Answers** grid should be displayed for you to review.

Submit Responses To Questions

6. Select the **View/Add** hyperlink under the **Answers** column for the respective question to view the answers.
Result: The **Appraisal Answers** dialog box should appear.
7. Click the **Add** button, enter an answer and click the **Submit** button.
Result: The answer should appear in the grid of the **Appraisal Answers** dialog box.

Appraiser Supervisor

Review Questions And Additional Documentation

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8. Ensure you are logged in as a PMU Appraisal Supervisor by checking your **USERID** in the bottom right-hand corner of the **AREIS status bar**.
9. Click on **Appraisal** on the top menu.
Result: The **Appraisal** screen should appear.
10. Under the **Appraisals** section, select the hyperlink in the **Entity ID** column for the entity you would like to review.
Result: The **Appraisal Details** screen should appear.
11. Under the **Appraisal Details** tab, select the **Question/Answers** tab.
Result: The **Question/Answers** grid should be displayed for you to review.

Submit Responses To Questions

12. Select the **View/Add** hyperlink under the **Answers** column for the respective question to view the answers.
Result: The **Appraisal Answers** dialog box should appear.
13. Click the **Add** button, enter an answer and click the **Submit** button.
Result: The answer should appear in the grid of the **Appraisal Answers** dialog box.

Submit Final Appraisal / BV

Appraiser Supervisor

Upload Appraisal And Other Requirements Into Portal

1. Ensure you are logged in as an Appraiser Supervisor by checking your **USERID** in the bottom right-hand corner of the **AREIS status bar**.
2. Select **Appraisal** from the top menu.
Result: The **Appraisal Dashboard** should appear.
3. Under the **Current Appraisals** section select the hyperlink in the **Entity ID** column for the entity you would like to submit the appraisal for.
Result: The **Appraisal Details** screen should appear
4. Select the **Property Salient Information** tab.
5. Select **Property Data** and review/update data.

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6. When you are finished reviewing/updating the data, click **Property Overview** tab.
Result: The **Property Overview** tab should appear.
7. Review/Update data on **Property Overview** Tab.
8. When you are finished reviewing/updating the data, click **Property Characteristics** tab.
Result: The **Property Characteristics** tab should appear.
9. Review/Update data on **Property Characteristics** tab.
10. When you are finished reviewing/updating the data, click on the **Property Valuations** tab.
11. Review the data on the **Property Valuations** tab.
12. Select the **Appraisal Details** tab.
13. Select **Documents** tab.
Result: The documents grid should appear.
14. From the drop down menu select **Final Appraisal Deliverable** and click the **Attach** button.
Result: The **Upload Document** dialog box should appear.
15. Click the **Browse** button and select a file, enter in the **Document Description** and **Comment** information and click the **Upload** button.
Result: A message should appear stating 'File uploaded successfully to the web server'.
16. Click the **Close** button on the **Upload Document** dialog box and then click the **Save** button under the **Documents** tab of the **Appraisal Details** tab.
Result: The document should save and appear in the Documents grid.
17. Click the **Submit Final** button at the bottom of the screen
Result: The appraisal dashboard screen should appear and the appraisal that was just submitted should appear under the **Appraisals** section with a status of 'Awaiting CalPERS Final Review'.